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Executive Registry

ICS 84-7678  
18 May 1984

MEMORANDUM FOR: Senior Interagency Group (Intelligence)

FROM: Walter Elder  
Executive Secretary, SIG(I)

SUBJECT: Minutes of 19 April 1984 SIG(I) Meeting  
1330-1445 Hours

Summary of Decisions

The Acting Chairman, with the concurrence of the SIG(I), approved the NSDD-84-directed study of the Federal Personnel Security Program for forwarding to the National Security Council with a request to approve the study's recommendations as a basis for further work on the subject. [REDACTED] 25X1

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Minutes of the Meeting

1. NSDD-84 Personnel Security Review

The Acting Chairman, Mr. John McMahon, noted that NSDD-84 directed the Attorney General, in consultation with the Director, Office of Personnel Management (OPM), to study the federal personnel security program and to recommend appropriate revisions to existing guidance. [REDACTED] 25X1

A Personnel Security Review Group, chaired by the Counsel for Intelligence Policy, Department of Justice, Miss Mary Lawton, has developed an options paper identifying four issues calling for NSC policy guidance. [REDACTED] 25X1

Since the tasking was directed by the NSC, the review group has referred its findings to the SIG(I) after first securing the concurrence of the IG(CM). [REDACTED] 25X1

Since the recommendations cut across areas of direct interest to his agency, the Director, OPM, Dr. Donald Devine has been invited to participate in the SIG(I) deliberations on this issue. [REDACTED] 25X1  
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Miss Lawton noted that the study group, which was composed of representatives from the Office of Personnel Management, the Federal Bureau of Investigation, the Department of Energy, the Department of Treasury, and the Department of Justice, had identified four issues which called for NSC policy guidance before undertaking further action. [REDACTED]

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First, the study group should focus on standards, procedures, and authorities relating to access or proximity to classified information by all U.S. Government employees, contractors, and military personnel. The group should address the federal employment suitability program only insofar as necessary to maintain a clear distinction between suitability for employment and access to classified material. [REDACTED]

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Two, the study group should draft a new Executive Order on access to classified information, modifying Executive Order 10450 only in order to make it clear that the new order stands distinct from the general requirements of Executive Order 10450. [REDACTED]

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Three, the group should attempt to develop reasonable uniform basic investigative standards for access to national security information which reflect workable and appropriate distinctions among the various categories of such information. [REDACTED]

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Four, the group should be authorized to develop basic uniform adjudication procedures for denying or revoking access to classified information which are related to the impact an unfavorable determination may have on a person's employment status. [REDACTED]

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On three, Miss Lawton stressed that uniform basic investigative standards would serve as a minimum standard. It was recognized that more stringent standards could be applied. [REDACTED]

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On four, Miss Lawton noted that the problem was that denial of access may turn out to be denial of employment. The development of common due process standards could strengthen the government's hand in court cases. She also noted that military and contractor personnel would be included. Executive Order 10450 covers civilian employees only. [REDACTED]

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The SIG(I) participants, Dr. Devine, OPM, General Stilwell, OSD, Lt Gen Williams, representing JCS, and Mr. Montgomery, Department of State, Mr. O'Malley, FBI, and Mr. deGraffenreid, NSC staff, all supported the study group's recommendations. [REDACTED]

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In the course of general discussion, the Acting Chairman, Mr. John McMahon, observed that CIA had some concerns that the establishment of common standards might lead to a relaxation of more stringent criteria. [REDACTED]

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Dr. Devine noted that CIA had not been a member of the study group, and suggested that the Agency be included in the next phase. [REDACTED]

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[REDACTED] CIA/Office of General Counsel, said that he was concerned that the establishment of common, minimum investigative standards could, because of practical consideration, lead to a situation where the floor would in effect become a ceiling. [REDACTED]

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In response to Mr. McMahon's question about who would establish clearance standards for the Department of Agriculture, for example, Dr. Devine said that OPM would be responsible. He also noted that a problem could arise if CIA thought that the military services did not perform adequate investigations. He noted that the House Armed Services Committee was considering an amendment which would have the effect of exempting the entire Department of Defense from OPM and E.O. 10450 purview. This would preclude the option of having uniform standards and procedures. [REDACTED]

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Mr. McMahon said that CIA considered suitability for employment as equivalent to the higher standards required for access to classified information. [REDACTED]

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General Stilwell endorsed the recommendation establishing uniform standards, and stated that this in no way lowered CIA's standards or prevented them from imposing more rigorous criteria. [REDACTED]

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Mr. McMahon noted that any new set of standards would be an improvement over the present situation. He asked Miss Lawton if there was any problem in including CIA on the study group's next phase. [REDACTED]

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Miss Lawton said that the only reason CIA had not been a member up until now was to avoid the perception that the review was being dominated by the Intelligence Community. [REDACTED]

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General Stilwell observed that the great proportion of security clearances were at the SECRET level where the standards were not as rigorous as one might desire. Many personnel cleared for access to SECRET do not in fact have a need for access. This emphasizes the importance of the re-investigation process where priority can be given to those individuals who experience shows are the ones who have frequent access to classified information. [REDACTED]

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Mr. deGraffenreid asked about how many court challenges could be expected. [REDACTED]

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Miss Lawton said that the most likely challenges would come on adjudication processes. She noted that revision of these processes could diminish a contractor's ability to conduct protracted appeal processes. She also noted that by separating the issues of suitability and access, the government would be in a better position to make a clear case on what harm may be done. [REDACTED]

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[REDACTED] said that an issue remained in deciding whether Agriculture's secrets were more or less sensitive than CIA's. [REDACTED]

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Miss Lawton said that the Department of Defense had a special problem because of the number of employees involved and the financial burden of background investigations. [REDACTED]

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Dr. Devine said that adjudication was a real problem, and that the government's record in court cases on suitability was not good. However, E.O. 10450 had survived the test of some 31 years, and OPM had issued clarifying instructions about suitability. He noted that the study group's paper would retain the provisions of E.O. 10450, but would carve out new ground in setting forth criteria for access to classified information. [REDACTED]

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Mr. McMahon said that this was a key issue, establishing criteria for access. [REDACTED]

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Miss Lawton agreed, but noted that the DCI has special authorities in this matter. [REDACTED]

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[REDACTED] turned his attention to issue four, stating that the establishment of common due process standards could subject the DCI to an external review procedure. [REDACTED]

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Dr. Devine responded by pointing out that due process for suitability was not the same as due process for access. By separating the two issues, the study group proposed to develop distinct standards. [REDACTED]

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pointed out that in the case of CIA, suitability for employment was equivalent to access to classified information. Such rigorous criteria did not apply to other government components. CIA applies different due process standards, which, he argued, should be retained.

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Miss Lawton observed that the proposed due process standards would indeed be a least common denominator, the bare minimum applicable under the Constitution. She noted that the DCI enjoyed a statutory exemption in protecting intelligence sources and methods.

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Mr. McMahon noted the consensus of the SIG(I), and approved forwarding the paper to the NSC to obtain the required approvals.

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4. Mr. McMahon informed the SIG(I) that the DCI would chair an early meeting of the group\* to consider the issue of the hostile presence in the United States. The question of leaks would also be addressed, and he asked for fresh ideas on how to deal with this chronic problem. [REDACTED]

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[REDACTED]  
Walter Elder

\*This meeting is scheduled for 1000 hours, 27 April 1984.

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Senior Interagency Group (Intelligence) Meeting  
19 April 1984

ATTENDEES:

NSC

State

Defense

Justice

JCS

FBI

OMP

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CIA

Mr. John McMahon, DDCI (Chairman)

Mr. Ken deGraffenreid

Mr. Hugh Montgomery

General Richard G. Stilwell, USA (Ret.)

Miss Mary C. Lawton

Lt Gen James A. Williams, USA  
Colonel Charles J. Little, USA

Mr. Edward J. O'Malley

Dr. Donald Devine

Miss Eloise R. Page

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SUBJECT: Minutes of SIG(I) Meeting - 19 April 1984

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